

JOINT FINANCE COMMITTEE AND BOARD OF SELECTMEN MEETING
11/4/09

Page 1 of 3

Meeting Date: November 4, 2009

Called to Order: 6:00 PM

Montague Finance Committee Members Present: John Hanold, Lynn Reynolds, Michael Naughton, Marje Levenson (arrived at 6:08 PM) and Rob Allen

Montague Selectmen Present: Patricia Pruitt, Mark Fairbrother, and Patricia Allen

Others Present: Carolyn Olsen (Town Accountant) and Jeff Singleton (GMRSD School Committee)

Minutes

BOS Moved: To approve the minutes of September 23, 2009.

Vote: 3 In Favor 0 Opposed 0 Abstained

FC Moved: To approve the minutes of October 7, 2009.

Vote: 4 In Favor 0 Opposed 0 Abstained

BOS Moved: To approve the minutes of October 21, 2009.

Vote: 3 In Favor 0 Opposed 0 Abstained

FC Moved: To approve the minutes of October 21, 2009.

Vote: 4 In Favor 0 Opposed 0 Abstained

BOS Moved: To approve the minutes of October 28, 2009.

Vote: 3 In Favor 0 Opposed 0 Abstained

FC Moved: To approve the minutes of October 28, 2009.

Vote: 4 In Favor 0 Opposed 0 Abstained

Reserve Fund Transfer: Unemployment Benefits.

FC Moved: To approve the transfer of \$5,000.00 from the Reserve Fund to Benefits Unemployment (001-5-910-5173).

Vote: 5 In Favor 0 Opposed 0 Abstained

News on 9C Cuts

Anecdotal reports that Montague will lose \$42,000 in PILOTS for State Owned Land and several thousand in the Quinn reimbursement.

GMRSD is expecting a reduction of around \$90,000.

Report on Standard's and Poor teleconference regarding new bond rating.

The information discussed during this teleconference is provided in the minutes file.

Use of Reserves for FY11

- John Hanold presented a handout with historical information on use of reserves with estimates of use through FY10 and possible uses for FY11.
- Marje Levenson asked if police grants will be available to purchase a cruiser in FY11. This will be discussed during the budget process.
- There was a general discussion of the appropriate use of reserves for FY2011. There was an assumption that the same amounts of Free Cash would be used, and that Stabilization would be used for Special Articles. The general options discussed were using no stabilization for operating expenses, using the same amount as currently appropriated for FY11 (\$65,000 for the town operating budget and \$94,000 for the GMRSD Assessment) and using 50% of the amount currently appropriated. There was no interest in increasing the amounts of Stabilization for FY11 to reflect whatever the final use of Stabilization will be for the FY10 GMRSD assessment.
- Several members expressed discomfort with the option of reducing reserves to less than \$500,000.
- Mike Naughton noted that the original plan from last January was to reduce the FY09 use of reserves for operating expenses by 50% for FY10 and to zero for FY11. Pat Allen thought the reduction for FY11 was to be 50% of the amount used in FY10 but Jeff Singleton noted that if that process were used you'd never get to zero.
- Jeff Singleton asked the committees to focus on having a clear, simple, and easy to explain rationale for whichever method is chosen.

FC moved: To plan preliminary budget on using zero stabilization funds for operating budgets for town and school assessments.

Vote: 5 In Favor 0 Opposed 0 Abstained

BOS moved: To plan preliminary budget on using zero stabilization funds for operating budgets for town and school assessments.

Vote: 2 In Favor 0 Opposed 1 Abstained

Step & COLA guides for FY11

All three union contracts are being renegotiated for FY11. The Finance Committee asked the Board of Selectmen to look at the following options for the FY11 budget/contracts:

- Wage freeze
- Furloughs
- Reorganization of departments/staffing with eye to consolidation
- Hiring freeze
- Pay cuts
- Look at GIC for FY12

Ad hoc Town-G-M committee report: The report from committee is in the minutes file. There was a brief discussion of the report and where to go next. The committee will report back on November 18 with an update and a list of concrete steps that could be taken.

Review of Newspaper Articles –

Lynn Reynolds provided a handout that summarized the issues raised in the articles. This handout is in the minutes file. Lynn Reynolds would like the committees to brainstorm in the broader sense to see if there is anything we can think of to stabilize income and if there is anything we can encourage our legislators to do. The committee members will consider the questions raised and take this up in January.

Adjourned 8:05 PM

Respectfully submitted:
Carolyn Olsen